

# OUR DEMOCRACY DOES NOT ADDRESS OUR MOST SENSITIVE AND IMPORTANT ISSUES

The SPEAKER pro tempore (Mr. FOLEY). Under a previous order of the House, the gentleman from Vermont [Mr. SANDERS] is recognized for 60 minutes.

Mr. SANDERS. Mr. Speaker, I am delighted to be joined by Representative MAURICE HINCHEY of the 26th District of New York State.

Mr. Speaker, I think that one of the problems in our democracy is that we have a tendency not to address some of the most sensitive and important issues. We seem to get a little bit consumed with O.J. Simpson and soap operas and the baseball games and so forth. Yet the country faces enormous pressures, enormous problems, and we really do not get into them very often in any great depth.

Let me begin the discussion with Representative HINCHEY by raising a question, if I might, and, that is, many people in this country are concerned today about the degree to which in fact this Nation remains a democracy in which ordinary people are able to control their lives and control the future, as opposed to big-money interests which have such a profound impact on the political and economic life of this country.

Representative HINCHEY, do you have some thoughts on that?

Mr. HINCHEY. I think it is obvious that we still have a democracy electorally. Everyone is encouraged, they are allowed and encouraged to participate in the electoral process. But more and more we are seeing a decline of economic democracy, and I think that the concentration of wealth in the hands of fewer and fewer people is becoming more apparent almost yearly. I think that that has been particularly so over the course of the last 20 years. We have witnessed the decline of the middle class. We have witnessed a growing underclass in America, and obviously the concentration of wealth in the hands of fewer and fewer people.

Also, the concentration of the ability to distribute information, the ownership of the instruments of communication in our society has become more and more concentrated, particularly over the course of the last decade.

For example, we have had laws in this country up until fairly recently which said that if you owned a major newspaper in a particular city, you were not then to own a major television station, a radio station.

The idea behind that, of course, was to prevent single individuals or single corporate individuals from controlling the means of communications or the means of distribution of information in a particular media market.

That, unfortunately, was done away with in the decade of the 1980's. So what we are seeing now, and we have seen evidence of it here, I think, in this Congress, the relationship between some mass media moguls and the

Speaker of this House currently, the concentration of the ability to distribute information in the hands of fewer and fewer people, and I think that is a means of eroding democratic principles and the idea of democracy.

Mr. SANDERS. Let me ask you, you have been here now for over 2 years, I have been here for over 4 years. Is it your impression that if you were to turn on the television tonight and watch CBS or NBC that you would get an accurate understanding of, in fact, what is taking place in the U.S. Congress?

Mr. HINCHEY. No, I don't think so. And I think that that is very unfortunate.

The abdication of responsibility by the major networks to provide real information and real news is evident certainly in the period of my adulthood. I can recall a time when news broadcasts back in the 1960's and even in the 1970's were real, material broadcasts.

The networks competed with each other in a way to try to distribute the best quality information through their news vehicles and a variety of important news items in their major newscasts, in the evening, and then late at night.

We have seen recently the transformation of media news into more of a tabloid kind of presentation of information, sort of titillating things, having to do with a variety of things that do not really relate to the most important aspects of what is occurring in our country, politically, culturally, and economically.

□ 2240

Mr. SANDERS. If I may. There are some writers who have pointed out that increasingly the media, the corporate media, is owned by fewer and fewer larger multinational corporations. It is of concern to me, for example, that NBC is owned by the General Electric Corp., a company which is a major manufacturer of military hardware, a company which has a very poor labor relations record, a company which for a period of time under the Reagan administration paid very, very, little in taxes. The Fox network is owned by the huge international media corporation run by Rupert Murdoch who runs and controls media in several countries around the world.

I think there is increasingly a danger not only in the United States but around the world that the people are getting their information from fewer and fewer people who will not tell people I think the truth, but will use their ownership of the media to protect their own private interests.

As the gentleman knows, there has been a lot of discussion about the November 8 election in which the Republican Party took control of both the House and the Senate, but what is not often I think pointed out enough is that in that election 62 percent of the American people did not bother to vote. And that all over this country we

have tens and tens of millions of people, primarily working people and low-income people, who are feeling enormous pain these days; they often do not have health insurance, they are working for low wages, their kids are unable to afford to go to college. For the first time in the history of the modern United States their children will have a lower standard of living than they do, yet with all of these problems, people do not go out and vote, because, I think, to a large degree they have given up on the political system, they do not see politics and government as it is presently constituted as a mechanism for them to improve their lives. Is that something the gentleman observes in his district?

Mr. HINCHEY. I think so. I think it is something you can observe, a phenomena that is occurring across America in various places to one degree or another. More and more people are disaffected from the political process because they believe it is irrelevant to their lives, and there are few things that are happening, frankly, in this Chamber on a routine basis over the course of the last couple of months, there are few things that have happened here that are going to make in any way a material difference in the lives of any people.

The kind of activity that has been going on here is not going to create one job, is not going to raise the standard of living of one person, is not going to make a material difference in the lives of anybody in this country, and that I think is very unfortunate.

I think also the assault that we have seen on the public broadcasting system is also one that is alarming, because in the public broadcasting system we have the last vestiges of an attempt by the communications media to really communicate information that is relevant, that is important, that means something to people, and in a very serious way.

Mr. SANDERS. I found it interesting that in the last month, as you know, the Speaker of the House, who is leading the effort to defund public television and public radio, held a fund raiser for his own private television network, and do you recall how much it cost a plate to attend that fund-raiser?

Mr. HINCHEY. I am not really certain but I remember it was an extraordinary amount.

Mr. SANDERS. Fifty thousand dollars a plate. It must have been a really good dinner for \$50,000, but this is money that came from obviously some of the very wealthiest people in America who wanted to give the Speaker and his friends the opportunity to communicate with America, with their particular point of view. But at the same time, by accepting that money, they are in the process of trying to shut down the public broadcasting system. I suspect that that is not just a coincidence.

Mr. HINCHEY. I do not think it is a coincidence at all. I think there is a very direct relationship to that and I suspect there is a very direct relationship between the book contract we have seen and the controversy around that with regard to the Speaker and his relationship to Mr. Murdoch. And it has been alleged there are some of these people who are interested, if they could manage to achieve it in some way, of taking over the public broadcasting system, because as I indicated and I think as anyone who has thought about it for 30 seconds realizes, the public broadcasting system is unfortunately, unfortunately because there ought to be many more aspects of this in American life, but unfortunately the last system that really attempts to communicate anything that is meaningful about what is happening in the American political process, and that is meaningful in an economic way to the lives of the vast majority of the American citizens.

Mr. SANDERS. When I turn on the television and I sometimes go surfing as they say with the flipper and I am amazed that you can have a cable network, not a network but cable system with 20, 30, 40 channels and how little there is of value on any of those stations. We get a great deal of violence, we get our share of soap operas, we get old movies, we get all kinds of stuff, but it is amazing to me how little of television today is actually reflecting the reality of the lives that tens and millions of working people are living. The truth of the matter is in our country today we just do not talk about the pain that so many people are going through, just trying to get through the day.

I think that one of the reasons that so few low-income people participate in the political process is that literally they almost do not have the energy to do it. If you go out and you work for 40 or 50 hours a week, if you have kids to take care of, if you have a car that you have got to keep running, if you have to worry about the electric bill and the telephone bill, you know, you do not have a lot of free time to participate in the political process.

And I think the more that people are hurting, the more they are obliged to pay attention to their own most basic needs and the needs of their families. Meanwhile, our wealthy friends can go flying around the country to go to meetings, they have large staffs of people.

I find it very interesting and very alarming, when you talk about the role of money in politics, just some of the events that have taken place in the last month or two. We talked for a moment about the fact that Mr. GINGRICH was able to have a fund-raiser for his television network for \$50,000 a plate. Several weeks ago the Republican Party had a fund-raiser, they brought people together and in one night they raised \$11 million for the Republican

Party. Senator PHIL GRAMM who is one of the candidates seeking the Republican nomination for President held a fund-raiser, and on one night he raised over \$3 million.

One does not have to be a genius or a great political scientist to figure out why people are throwing so much money at political candidates. They are not donating that money, they are investing that money. They feel that if they can elect certain people, they will benefit from the decisions that those people make once they are office. And I think we are beginning to see that in terms of the Contract With America that we are debating virtually every day on the floor of the House.

Representative HINCHEY, how do you see the relationship between big money and the Republican Contract With America?

Mr. HINCHEY. Well, I think the contract is first of all a very elitist document. It is elitist in the sense that whatever benefits are going to accrue as a result of the passage of these items that are contained in the contract, should any of them actually become law, will accrue to the richest 1 percent or the richest 5 percent perhaps of the American population.

It is also a very radical document. It is radical in the sense that it is a departure in many ways from the historical context of the American experience going back over the 206 years of our history, and particularly over the course of the last 50 years when there has been a concentration and an effort really by both parties, more or less, to try to achieve a greater sense of economic justice and economic prosperity for the vast majority of Americans. Going back to the Eisenhower administration, and even during the Nixon administration, this country continued to make economic progress, and the middle-class people had jobs and had economic opportunity.

□ 2250

That is not part of this agenda. In fact, over the course of recent history, we have seen a loss in the standard of living, a loss of economic opportunity, a loss of availability of jobs, particularly decent-paying jobs that have associated with them the kinds of benefits that we are accustomed to, medical benefits and pension benefits and things of that nature. We have seen a dramatic decline in those jobs.

Mr. SANDERS. If I may, I think the major point that we should be discussing on the floor of this House every single day and that should be discussed at length on the television and on the radio is why it is that over the last 20 years we have become a significantly poorer country, why the standard of living of working people has declined, why the gap between the rich and the poor has grown wider, why we have lost some 3 million manufacturing jobs as large corporations throw American workers out on the street and head to Mexico or to China, why it is that more

and more people lack health insurance or are underinsured, why it is we have that. I wonder how many Americans know this. We have in the United States today by far the highest rate of childhood poverty in the industrialized world. Over 22 percent of the children in America are living in poverty. Many of our elderly people are living in poverty.

The new jobs that are being created are significantly lower-wage jobs than was the case even 15 years ago, especially for the young men and women who are just graduating college. Why is all of this happening?

Clearly those are the issues that we should be discussing, but unfortunately, we spend very little time doing that.

Mr. HINCHEY. I think obviously you are right. These are the issues that concern me, and these are the issues that we ought to be talking about here in this institution, in this Chamber, in this room. We ought to be talking about the economic conditions that are afflicting the American people more and more.

We have seen a stagnation in the standard of living of the vast majority of the American people, and even a decline in that standard of living substantially over the course of the last 20 years, going back to 1973, and especially since 1979, and I think that that is clearly associated with the decline in manufacturing jobs and other productive jobs, manufacturing, construction, the kinds of jobs that add value to material things and, therefore, create wealth. We have lost most of those jobs, many of those jobs, such that only 26 percent of the American work force today is engaged in those productive kinds of activities such as manufacturing, mining, and construction.

When you contrast that with those statistics for other countries, you find that of the major industrial powers, we now have among the smallest percentage of people working in those kinds of occupations, and that is why we have had the decline in wealth and a decline in the standard of living of the majority of Americans.

People are insecure. They do not know if their job is going to be there tomorrow or next week or next month. They worry deeply about the availability of meaningful employment for their children. They worry substantially about whether or not their children are going to enjoy the same standard of living that they have enjoyed, and they fear, in fact, their children's standard of living is going to be less than theirs. That is a dramatic departure from the experience of this country, particularly over the last 50 years since the Second World War.

Mr. SANDERS. In a few moments, I hope we can get to the issue of trade and our current trade policy, because I think that relates very much to the circumstances you are talking about.

Let us get back to the Contract With America. It seems to me that the essence of what the Contract With America is about are several things: No, 1, our Republicans want to provide very, very substantial tax breaks, primarily for the wealthiest people in this country. People earning over \$100,000 a year would get at least half of the tax breaks, and as I understand it, people earning \$200,000 a year or more would get about one-third of the tax breaks. These are the people whose incomes have soared during the last decade, who, in many instances, are already not paying their fair share of tax, but these are the people who are targeted for the major tax breaks under the Republicans.

The second point that I think we should consider in the Republican Contract With America is that these folks who are talking about the need to move toward a balanced budget, balanced budget in 7 years, first, they are talking about huge tax breaks for the wealthy and, second of all, they are talking about a major increase in military spending, tax breaks for the rich and increase in military spending.

Last week we had a rather vigorous debate here right on the floor of the House when our Republican friends suggested they wanted to bring back the star wars program; again, no one is clear about how much more money they want for it. We were not specific about the dollars. I think the estimate is another \$30 or \$40 billion for star wars alone, let alone for some other military programs.

Mr. HINCHEY. It sounds eerily familiar, tax cuts for the very rich, substantial increases in military spending, balanced budget amendment.

In the words of the great American philosopher, Yogi Berra, "Deja vu all over again." It is 1981 all over again. It is the same prescription that brought us record budget deficits, the same prescription that brought us record debt, the budget deficit, and debt that we are trying to dig our way out of.

The irony is, the inexplicable irony is that the same people in this House who pushed through those budgets in the 1980's that brought us that incredible debt fueled by those budget deficits year after year after year are now going back to try to bring us the same kind of disastrous economic policies now in the last few years of the decade of the 1990's, the same kind of prescription that is going to bring us the same disastrous consequences.

Mr. SANDERS. If the Contract With America is going to provide tremendous tax breaks for the wealthy, and if it is going to provide enormous profits for military contractors and the others who are involved in star wars, and if we are to move toward a balanced budget within 7 years, clearly it does not take a Ph.D. in economics to figure out something has got to give. You cannot move toward a balanced budget, give tax breaks to the rich, expand military

spending without making savage cutbacks in a wide variety of areas.

And in the last week or two, we have finally begun to get some of the specifics as to where those rather savage cuts are going to come.

Do you want to say a word on that?

Mr. HINCHEY. Yes, I would.

But first let me remind ourselves and anybody who might be watching this that during the debate on the balanced budget amendment in this House, we attempted to pass an amendment that would exclude Social Security which would take Social Security off the table, and an attempt to balance the budget so Social Security would not be in jeopardy. That amendment failed here. The majority party in this House defeated that amendment, so we can sense from that where lies one of the sources from which they intend to derive the revenue to balance this budget after the year 2002.

Also, Medicare, the Medicare Program which is a health care program for our elderly citizens, the majority leader in the other House of this institution, when he was a Member of the House of Representatives, voted against Medicare. It is no surprise why he is against national health insurance and why he is for the balanced budget amendment today. They are going to go after Social Security. They are going to go after Medicare.

Already we have seen them going after programs that affect the most vulnerable Americans, children, for example. They are cutting away at the school lunch program. There is going to be less availability of school lunches. They want to put it in a block grant, reduce the amount of money that is available for it, and send it down to the States. We know the consequences of that.

The school lunch program is going to be less effective. Fewer children are going to benefit from it. Their learning is going to decline as a result of that. Their health is going to decline as a result of that, and we are going to have a weaker America.

So those are the programs they are after, the WIC program, the food stamp program. That is where they are going to get the money for their tax cut for their wealthy friends.

Mr. SANDERS. That is right. I think we should be very clear about what is going on.

In this instance, we are not being rhetorical or cute by saying that literally we are talking about food coming out of the mouths of hungry children in order to provide tax breaks for some of the wealthiest people in this country, and I think that is, you know, there has been a whole lot of discussion about family values. I do not think that cutting back on school breakfast programs, school lunch programs, and in my State of Vermont, the WIC Program, which is the women and infants and children program by which low-income pregnant women are provided good nutrition and little kids are pro-

vided good nutrition, to eliminate that program and put it into the block grants is, to me, just incomprehensible.

Furthermore, I think, as you know, and I know this affects your district which also has some cold winter as my district does, as the State of Vermont does, last week one of the subcommittees on Appropriations proposed, voted to, to eliminate the LIHEAP program, which is a program that provides fuel assistance for low income people in our districts where the weather gets 20 below zero. This is a serious matter. It is a question of whether people stay alive or not.

Many of the recipients of that program in the State of Vermont are elderly people. So once more, tax breaks for the rich, increases in military spending, and star wars, and cutbacks for the most vulnerable people in our Nation.

□ 2300

Mr. HINCHEY. You are precisely correct. The HEAP, the Home Energy Assistance Program, is a program that assists primarily elderly people. It helps them heat their homes in the wintertime. When you live at the latitude that we do in New York and Vermont, we know the winters get quite cold.

Elderly people are particularly susceptible to hypothermia. It does not have to stay too cold for too long for the life of an elderly person to become in jeopardy and for them to lose that life. So this HEAP program is literally, for people like that a matter of life and death.

In another sense, though, the hypocrisy of the agenda of the majority party in this House is becoming more and more apparent. Their attack on the WIC program, which the gentleman mentioned, is a clear indication of that.

The WIC Program is one of the most effective and efficient programs that we have, domestic programs that we have in the country. It has been shown statistically that for every dollar spent on the WIC Program we spend as a Nation, the American taxpayer saves \$4. How does that happen? It happens in this way: The WIC Program provides nutrition for pregnant women, lactating mothers, and small infants. If a pregnant woman gets proper nutrition during her pregnancy, she is much less likely to give birth to a low-birthweight baby or a child that encounters other postnatal problems. When a child is born of low birthweight or has some other postnatal problem, all of the resources of the medical institution wherein that child is born are brought to bear to save that child's life. That requires an expenditure of ten's of thousands, if not, in some instances, hundreds of thousands of dollars. How much wiser to spend a few dollars to insure good nutrition for pregnant women in this country.

This attack on WIC, mind you, is coming from people who profess to be

pro-life, who profess themselves, sanctimoniously, as the guardians of the infants and small children. While they say that out of one side of their mouth, they are attacking children, pregnant women, and the most vulnerable, and people least able fend for themselves in this society, children, elderly people, pregnant women. Those are the ones they are going after to get the money for their tax cuts for their wealthy friends.

Mr. SANDERS. I think the gentleman is exactly right. He has characterized the WIC program exactly right. It is not only the right thing to do, it is the cost-effective, sensible thing to do. How much more sensible it is to keep low-income pregnant women healthy so they can give birth to healthy babies rather than have them give birth to low-birthweight babies and spending thousands of dollars to keep those babies alive. The WIC program has been shown time and time again to be a very successful and fully effective program.

I must say that to understand fully what goes on in this Congress, we should examine the decency, the propriety of people who contribute or accept \$50,000-a-plate contributions and then go out and cut back on programs for low-income pregnant women and hungry kids.

We have talked about the impact of the Contract With America on the elderly, on children. But there are other constituencies who are also going to be affected by the Contract With America.

One of the areas the contract is pointing its ugly finger at right now is at the young college students in America. Time and time again we hear on the floor of this House, we hear the leading business people of this country, we hear the President, we hear anybody who knows anything about what is going on in the international global economy, make the sensible and correct point that this country will not survive economically unless we have a well-educated workforce.

The competition in Europe, in Asia, against as is very, very powerful. We need to have a well-educated workforce. Everybody agrees with that.

Second of all, what everybody agrees with is that if young people are not able to get a college education, if they simply go out into the workforce with a high school degree, it is increasingly difficult to make a living.

The new jobs that are being created for high school graduates are paying significantly lower wages than they paid 15 years ago.

So, given that reality that we need a well-educated work force, that the jobs out there for high school graduates are low-paying, what sense in the world does it make to be cutting back drastically on the student grants and loan programs that enable millions of middle-income and working-class and low-income families to be able to afford to send their kids to college?

We are talking about cutbacks in the Pell Grant program, cutbacks in the Stafford Loan Program, cutbacks in the work-study program, all of which will make it extremely hard for young people to go to college because the cost of higher education today is very high.

Imagine how difficult it would be if we did not have the Federal assistance which currently exists. It doesn't make a whole lot of sense to me.

Mr. HINCHEY. It does not make any sense. I cannot help but wonder what has happened to the great Republican Party, a party which had care and concern for the middle-class people of this country, particularly. Even Richard Nixon, when he was President, commented on the school lunch program, and he did so by saying that he knew a child would be able to learn much better if he has good nutrition. That child will be stronger, be able to accept knowledge easier, to learn, he will be able to be a better participant in school. President Nixon knew the value of the school lunch program.

In my State, Nelson Rockefeller was responsible for the establishment of the State University of New York. He took a system of scattered and disparate normal schools and small colleges and brought them together in the most magnificent way and created one of the best State university systems in the Nation and one of the best public systems of higher education anywhere in the world. This was done by a great Republican Governor.

Now we found Republicans in this House, the majority party in this House, attacking public education in the way that the gentleman described, hacking away at Pell grants, hacking away at new student loans, depriving more and more people of the opportunity to get a good education.

Back in my State, the new administration in New York wants to raise the tuition at the State university system by over \$1,000, \$1,300. It is going to price out of the opportunity for higher education many middle-income people, concentrated more and more in the hands of wealthier and wealthier people. That is not what Nelson Rockefeller wanted that State university to be. He wanted it there for all people regardless of their income. And this new Republican Party inexplicably has gone far to the right and is destroying some of the basic elements of this society which were created by good, solid, responsible Republicans in prior times.

Mr. SANDERS. It seems to me to be very sad to be contemplating the likelihood, the reality that if these trends continue, that higher education in America, which at good schools today costs \$25,000, \$28,000 a year, that if the Federal Government is not helping out middle class, the working-class families, higher education will simply be an avenue open only to the very wealthy. That seems to me to be a terrible thing not only for millions of families but a terrible thing for this country as well.

Let me shift for a moment. We have talked about the impact of the Contract With America on those families hoping to send their kids to college. What about veterans? I find it interesting and I just this morning actually met with Secretary of Veterans Affairs Jesse Brown, who I think is doing an excellent job in advocating for the rights of veterans, who is deeply concerned about the rescission, the cutback of money already appropriated, which took place just last week, of some \$200 million for veterans already.

□ 2310

He and I think many of us share the concern that next year under the Republican proposals there will be major cutbacks in veterans programs, including programs and money needed by the VA hospitals. It seems to me that we can disagree about the wisdom of this or that war. But if you are going to ask a young man or woman to go to war, to put his or her life on the line, you are signing, talk about a contract, there is not a deeper contract than you can sign. When the government declares a war and says, go out, you have made a contract in perpetuity, I think, with that individual. They cannot do more than put their life on the line. And it seems to me in absolute disgrace that anyone would contemplate, when the elderly now in our VA hospitals who fought in World War II, who fought in Korea, who need the help, to say to those people, we have a real deficit problem here, guys, we are going to have to cut back on your needs. Thanks for putting your life on the line. But now you are somewhat disposable. That seems to me to be very wrong.

Mr. HINCHEY. I think absolutely so. There is no class of Americans to whom we owe a greater debt of gratitude than those who served in the military, particularly during times of conflict, during times of war, when they put themselves in jeopardy, put their lives on the line, were certainly in danger of that at any moment. We need to live up to our responsibilities to our veterans.

The majority party in this House has just slashed away at veterans benefits. Outreach programs for veterans at veterans hospitals are going to be virtually eliminated if we pass what they have reported out of the committee so far. That is just one example of the way that they are striking away at veterans benefits.

But the irony of it is that while they attack the veterans and the benefits and the responsibilities and obligations that we as a country owe to veterans, they wrap themselves in the flag by talking about a constitutional amendment against burning the flag. There was a great British parliamentarian who once observed that patriotism is the last refuge of a scoundrel. I have a friend who says that patriotism is often the first refuge of a scoundrel.

I think that we may be seeing a little bit of that here in this proposed flag amendment, because I think that they are using this proposed flag amendment to hide their real agenda, which is to slash away at veterans benefits, to deprive veterans of what we owe them really for what they have done for this country, and take that money, again, to use it for tax cuts for the wealthiest Americans. It is a scandalous part, only one of many scandalous parts of this so-called Contract on America.

Mr. SANDERS. You and I are members of the Progressive Caucus. The Progressive Caucus has brought forth a number of alternative ideas to the contract, and maybe it would be useful if we talked about some of the ideas and some of the legislation that we are working on.

Recently, as you know, the president has come out to increase the minimum wage. You and I have supported legislation for several years which would raise the minimum wage to an even higher level. I introduced legislation 4 years ago which would raise the minimum wage to \$5.50 an hour. It seems to me that at a time when the purchasing power of the minimum wage today is 26 percent less than it was in 1970, in other words, our low-wage workers are significantly poorer and worse off than they were 25 years ago, that the time is long overdue, that we should be saying that if you are going to work 40 hours a week in the United States of America, you should not be living in poverty.

Does that not make sense to you?

Mr. HINCHEY. It makes a great deal of sense to me. It makes it even more difficult for me to understand how the majority leader in this House can say that he would like to see the minimum wage done away with completely. If he had anything to say about it, that is what would happen. He also said that he would fight with every fiber of his being an increase in the minimum wage.

Well, look what has happened to the minimum wage. The president has proposed a modest increase from where it is now, at \$4.25 an hour, to \$5.15 an hour over the course of 2 years.

If the minimum wage had kept pace with the cost of living in our country over the course of the last several years, it would at this moment as we stand here today, the last day of February 1995, the minimum wage would be more than \$6 an hour. So even what the president is proposing will not take us to where the minimum wage ought to be at this moment, let alone where it ought to be 2 years from now.

The minimum wage is a basic standard from which we attempt to elevate the standard of living of all Americans by placing a floor under the salary that should be paid for someone's labor. What more can a person give outside of family experience to someone else but their labor? They ought to be compensated for that appropriately. And in

this, the wealthiest nation in the world, with the biggest economy in the world, we ought to be able to pay our workers at a rate that will afford them a decent standard of living.

Mr. SANDERS. I think we should point out that one of the additional reasons why we need to raise the minimum wage is that many, many of the new jobs that are currently being created are, in fact, low-wage jobs. They are often part-time jobs. They are jobs without any health care or any other benefits. And it seems to me that if anyone is going to talk about welfare reform or anything else, we must make sure that in this country that those people who are working for a living have the right to live in dignity, have the right after 40 hours of work to keep their heads above poverty.

I think you and I are going to go forward as vigorously as we can to demand hearings here in the House and in the Senate and pass the minimum wage. The President's bill does not go as far as I would like to see it go, but it is a step forward which would impact not only on those workers making \$4.25, but obviously those workers making \$4.50, \$5 or \$5.20 an hour as well.

Mr. HINCHEY. And workers who are making higher levels than that because it will have a tendency to push up the wages of others as well. Because as we discussed earlier in our colloquy here this evening, we have seen the standard of living of Americans not keep pace with the cost of living or advance ahead of the cost of living but actually decline so that people are living today in a more difficult circumstance. The vast majority of Americans are having a tougher time making ends meet, paying the electric bill, as you said before, paying the rent, paying the mortgage, worrying about how they are going to put their kids through school. It is a more difficult proposition today as a result of the declining standard of living and one of the aspects of that is the failure of the minimum wage to keep pace with the cost of living.

Mr. SANDERS. What particularly outrages me is that there is no country in the world where the gap not only between the rich and the poor but between the chief executive officers of the large corporations and their workers is as wide as it is in the United States. The last figure that I saw was that at a time when the CEO's are seeing tremendous increases in their incomes and workers incomes are declining, the gap is now 150 to one. I do not think, you used the words economic democracy a moment ago, I do not think that is what this country is supposed to be. It is not supposed to be an oligarchy. It is supposed to be a country in which we have a solid middle class where people who are working for a living are able to earn enough money to pay the bills and to raise their kids with a little bit of dignity.

I think we should also point out, because the media does not do this ter-

ribly often, that one of the reasons that European and Scandinavian companies are coming to the United States today is that they find in America today the opportunity, unbelievable as it may sound, to hire cheap labor. For the same reason that American companies go to Mexico and China, some of the European companies are coming to America where you can get skilled, hard-working people who will work for 7 bucks an hour, \$8 an hour, with very limited benefits. And clearly in Europe, workers earn a lot more than that.

I think another point that I want to make, there was an article in, I think it was Newsweek recently, maybe it was Time, where they talked about the stress that the average American family is under. People are working longer and longer hours, having less vacation time. I think that is an issue that we should address as well.

Mr. HINCHEY. Well, I think it is very clear that the working conditions here in the United States have deteriorated. The quality of the jobs is not keeping pace with what it ought to be. The level of benefits are far lower than they are in European countries where in many European countries it is customary for a person working in the first year to get 4 weeks vacation and some countries, Australia, it is even 6 weeks vacation. But here in the United States it is, you are lucky to get 2. And more importantly, more and more American companies are moving toward a situation where they hire part-time employees so that they do not have to provide benefits such as pension systems, things of that nature, health insurance. And that is one of the reasons why we have a larger growing number of people in the United States who are without health insurance. And that is one of the principal driving forces forcing up the cost of health care for all the rest of us.

It is a major part of our economic problems over the course of the next several years. We need to get a handle, get control of our health care costs. And we cannot do it, because one of the reasons we cannot do it is because so many more people are without health insurance. And when they get health care they get it under the most expensive circumstances.

So these are all part of pieces, part of a larger entity that has to do with what we ought to be doing in this House, and that is working to improve the standard of living of the majority of American people, making education more accessible to middle class working people, making good jobs available to middle class working people, jobs that pay a decent salary and provide health insurance and other reasonable benefits, the kinds of things that we have taken for granted in the past and which are being taken away from us insidiously as a result of the failure of this Congress to operate the way that it ought to.

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If it was operating in the best interests of the American people, that is what it would be doing. It would be developing programs to create jobs and improve the standard of living, and making sure that when people work, they are compensated appropriately for that work and included in that compensation is basic health insurance and other kinds of fundamental benefits.

Mr. SANDERS. Maybe when we talk about the decline in the standard of living of working people and the shrinking of the middle class, I think it ties, and we might want to end our discussion on this note, it ties into the whole issue of trade which has gotten a lot of attention recently in terms of the passage of NAFTA and GATT.

NAFTA was passed some 14 or 15 months ago. We were told that with the passage of NAFTA, many new jobs would be created here in the United States. It would improve the Mexican economy. Fifteen months have come and gone.

What is your impression about the impact of NAFTA?

Mr. HINCHEY. I think we could spend, I tell the gentleman from Vermont [Mr. SANDERS], more than an hour on that discussion alone here this evening.

But to make it brief, the effects have been frankly what you and I and others who voted against NAFTA predicted they would be. We said at that time that the peso was overvalued, that the Mexican economy was riddled with corruption and that if we were to pass NAFTA, it was really not a trade agreement but an investment agreement, it would siphon off investment capital from the United States down to Mexico and there would be a net loss of jobs from this country, and that is precisely what we have seen.

We have seen a loss of 10,000 jobs, a net loss of 10,000 jobs from the United States to Mexico as a direct result of NAFTA. And we have seen the collapse of the Mexican economy.

Our trade policies since 1979 and perhaps as early as 1973 have been a disaster for this country. We have taken it on the chin. We have been a sap for other countries. We have a built-in trade deficit now which is of historic proportions. That trade deficit means that we are subsidizing good jobs in other countries while we lose those good jobs here in America.

We need to reverse our trade policies and focus on our own domestic economic needs. Trade is important only to the extent that it provides value to the United States, that it helps us improve the standard of living of the American people, that it provides more jobs for Americans.

Our trade policies have taken us precisely 180 degrees in the opposite direction. That has been going on now for nearly 20 years. No wonder we are suffering the economic circumstances we are. That is a major part of our problem.

Mr. SANDERS. I agree. And there is no question that with a \$150 plus billion trade deficit, what that translates into is millions of decent manufacturing jobs that should exist in this country but that do not.

When we talk about the global economy, I think what we have got to deal with is the fact that major corporations would much prefer to go to China where they could pay workers 20 cents an hour in an undemocratic society where workers cannot form free unions, where the environmental conditions or the workers' conditions are very, very bad.

Obviously what has happened is companies have invested tens of billions of dollars in China. They have invested huge amounts of money in Mexico, in Malaysia, in countries where desperate people are forced to work for starvation wages, and at the same time they have thrown American workers out on the street.

We must demand and create a process by which large American corporations reinvest in America and put our people back to work at good wages. Clearly as you indicate, current trade policy is doing exactly the opposite.

Mr. HINCHEY. I want to thank you very much for giving me the opportunity to join you in this discussion this evening and for focusing the discussion exactly where it ought to be focused, on the economic issues, on ways that we can take in this Congress to improve the standard of living of American people.

There is nothing more important for me. I know that is true with you. We have got to make sure as best we can that it becomes equally important for a larger number of people who serve in this Congress.

#### LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. HUNTER (at the request of Mr. ARMEY), for today and on Wednesday, March 1, 1995, on account of family medical reasons.

Mr. WARD (at the request of Mr. GEPHARDT), for today, on account of official business.

#### SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. NADLER) to revise and extend their remarks and include extraneous material:)

Ms. KAPTUR, for 5 minutes, today.

Mr. HOYER, for 5 minutes, today.

Mr. TOWNS, for 5 minutes, today.

Mr. BROWDER, for 5 minutes, today.

Mr. FOGLIETTA, for 5 minutes, today.

Mr. MFUME, for 5 minutes, today.

Mr. NADLER, for 5 minutes, today.

(The following Members (at the request of Mr. NORWOOD) to revise and ex-

tend their remarks and include extraneous material:)

Mr. CUNNINGHAM, for 5 minutes, today.

Mr. MCINNIS, for 5 minutes, today.

Mr. SMITH of Michigan, for 5 minutes, on March 1.

Mr. FRANKS of Connecticut, for 5 minutes, today.

Mr. SHAYS, for 5 minutes, on March 1.

Mr. KINGSTON, for 5 minutes, today.

#### EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

(Mr. BROWN of California and to insert extraneous material in the RECORD in the Committee of the Whole on today, on H.R. 1022.)

(The following Members (at the request of Mr. NADLER) and to include extraneous matter:)

Mr. FRANK of Massachusetts.

Mr. MFUME.

Mr. FROST.

Mr. LAFALCE.

Mr. HASTINGS of Florida.

Mr. FOGLIETTA.

Mr. DIXON.

Mr. HOYER.

(The following Members (at the request of Mr. NORWOOD) and to include extraneous matter:)

Mr. MARTINI.

Mr. GOODLING.

Mrs. MORELLA.

Mr. PORTMAN.

#### ADJOURNMENT

Mr. HINCHEY. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 11 o'clock and 25 minutes p.m.), under its previous order, the House adjourned until tomorrow, Wednesday, March 1, 1995, at 10 a.m.

#### EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

418. A letter from the Administrator, Panama Canal Commission, transmitting a draft of proposed legislation entitled, "Panama Canal Commission Authorization Act, Fiscal Year 1996", pursuant to 31 U.S.C. 1110; to the Committee on National Security.

419. A letter from the President and Chairman, Export-Import Bank of the United States, transmitting a report involving U.S. exports to a variety of overseas entities, pursuant to 12 U.S.C. 635(b)(3)(i); to the Committee on Banking and Financial Services.

420. A letter from the Director, Defense Security Assistance Agency, transmitting the price and availability report for the quarter ending December 31, 1994, pursuant to 22 U.S.C. 2768; to the Committee on International Relations.

421. A letter from the Assistant Secretary of State for Legislative Affairs, transmitting